Agriculture and Agri-Food Canada
Agriculture et Agroalimentaire Canada

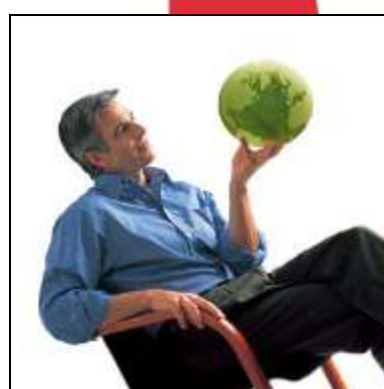
International Markets Bureau

MARKET INDICATOR REPORT | JULY 2012

Inside the United Kingdom

Seafood Trade





Growing Forward

Canada

TRADE SUMMARY

The United Kingdom (U.K.) is the eighth-largest importer of fish and seafood in the world, importing more than US$4.1 billion in 2011. The country mainly imports its fish and seafood from Iceland, with 11% of total imports in 2011, followed by Thailand (7.8%), China (7.1%), and Germany (6.6%). In the same year, Canada held 3.3% of the U.K. fish and seafood imports market, down slightly from 3.6% in 2010.

In 2011, the U.K.'s main fish and seafood imports from all countries included frozen fish fillets (US$892.5 million), prepared/ preserved tuna/skipjack/bonito (US$482.8 million), frozen shrimp and prawns in-shell (US$423.1 million), prepared/preserved shrimp and prawns (US$405.1 million), and fresh or chilled fish fillets and other meat, excluding steak (US$287 million).

The U.K. is also an important exporter of fish and seafood products, exporting just under US$2.3 billion internationally in 2011, an increase of 12.2% from 2010. Exports were largely represented by fresh or chilled Pacific and Atlantic salmon (US$560.1 million), frozen fish fillets (US$176.1 million), frozen mackerel (US$140.8 million) and frozen and cooked crustaceans (US$135.2 million). Top destinations included France (23.9%), the United States (15.5%) and Spain (10.5%).

CANADIAN PERFORMANCE

Based on Canadian export data, the U.K. was the sixth-largest recipient of Canadian fish and seafood exports in 2011, with US$92.8 million. However, fish and seafood exports to the U.K. decreased by 7.6% from 2010 to 2011. Much of this decline can be attributed to prepared or preserved salmon, which fell from US$33.7 million to US$19.9 million in 2011. In addition, exports of frozen scallops decreased from US$7.5 million to US$3.1 million, and frozen lobster exports declined to US$3.9 million from US$4.3 million in the previous year.

In 2011, the U.K. received 2.2% of Canada's total fish and seafood exports, while the United States received 61.8%, China 9.1% and Japan 6.1%.

For Canada, fish and seafood represents the fourth most significant agri-food export sector to the U.K., behind other commodities such as cereal, vegetables and prepared meat. Fish and seafood represented 9.5% of all Canadian agri-food exports to the U.K. in 2011.

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BY THE NUMBERS

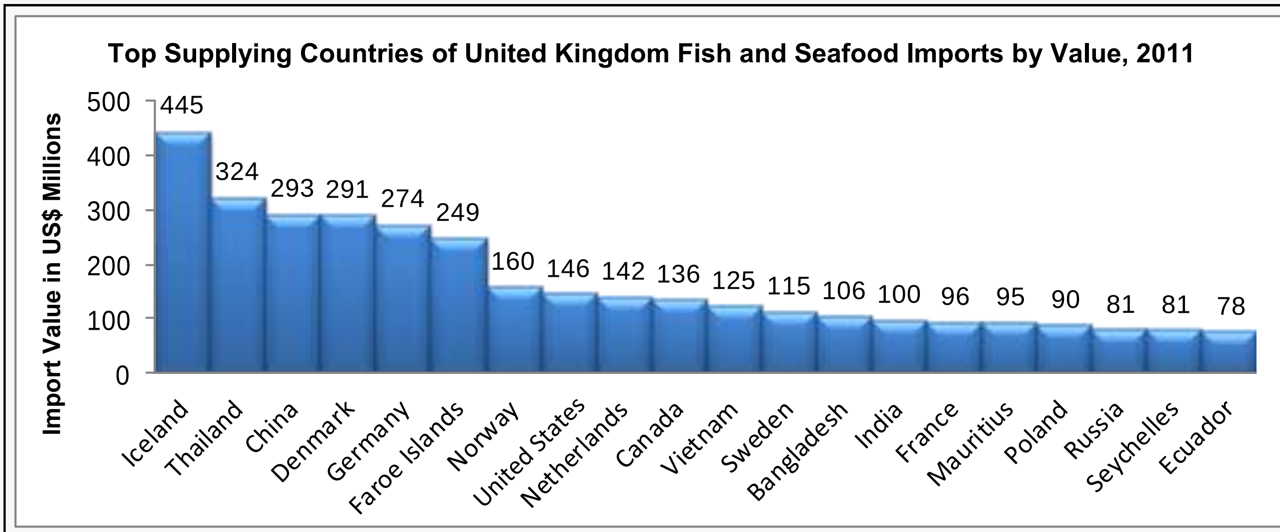
Top 10 Countries Supplying the United Kingdom with Fish and Seafood (based on import data) and Top Imported Products in 2011

Rank	Country	Total Import Value in US$	Top Import Supplied	Top Import Value in US$
	World	4,138,765,450	Frozen fish fillets	892,463,238
1	Iceland	445,421,535	Frozen fish fillets	162,341,733
2	Thailand	323,927,023	Shrimp and prawns, prepared or preserved	113,044,365
3	China	293,372,146	Frozen fish fillets	203,112,705
4	Denmark	291,158,843	Whole fish, prepared or preserved	60,196,117
5	Germany	274,456,654	Prepared/preserved fish, whole or in pieces	105,504,322
6	Faroe Islands	249,151,202	Fresh/chilled salmon with bones	161,521,799
7	Norway	159,910,934	Frozen fish fillets	77,135,464
8	United States	146,471,436	Salmon, prepared or preserved, whole or pieces	77,669,028
9	Netherlands	141,845,361	Frozen fish fillets	31,126,242
10	Canada	136,471,503	Shrimp and prawns, prepared or preserved	85,586,671

***Source**: Global Trade Atlas, 2012.*

According to Mintel, further growth in fish consumption can be expected in the U.K., especially among young, middle-class families and people aged 55 and over. Already, nine in ten adults consume fish at home, and more than half eat it at least once a week. However, the frequency of meals consumed that contain seafood products seems to rise with age amongst U.K. consumers. These factors bear testimony to the established role of seafood on the British menu, but also to its growth potential.

The Food Standards Agency (FSA) in the United Kingdom has approved health claims for various nutrients found in seafood (save for those related to omega-3s), affirming the strong health proposition of seafood.



***Source**: Global Trade Atlas, 2012.*

TOP TEN SEAFOOD SUPPLIERS TO THE UNITED KINGDOM, 2011

1. Imports from Iceland		**2. Imports from Thailand**	
Frozen fish fillets	$162.3M	Prepared/preserved shrimp and prawns	$113.0M
Frozen/fresh fish fillets and other meat	$136.6M	Frozen shrimp and prawns, including in-shell	$81.9M
Prepared/preserved shrimp and prawns	$52.3M	Tuna/Skipjack/Bonito, prep./pres., not minced	$72.8M
Fresh/chilled fish with bones	$23.6M	Prepared/preserved fish	$30.3M
Fresh haddock, except fillets	$23.4M	Prepared sardines	$5.8M
3. Imports from China		**4. Imports from Denmark**	
Frozen fish fillets	$203.1M	Frozen fish fillets	$60.2M
Dried/salted cuttlefish and squid	$16.8M	Prepared/preserved mackerel, not minced	$59.0M
Frozen shrimp and prawns, including in-shell	$13.0M	Prepared/preserved shrimp and prawns	$36.9M
Prepared/preserved shrimp and prawns	$12.2M	Prepared/preserved fish, whole or pieces	$31.7M
Smoked fish, including fillets	$9.4M	Frozen shrimp and prawns, including in-shell	$18.5M
5. Imports from Germany		**6. Imports from the Faroe Islands**	
Prepared/preserved fish, whole or in pieces	$105.5M	Fresh/chilled salmon with bones	$161.5M
Frozen fish fillets	$93.0M	Frozen fish fillets	$44.5M
Frozen shrimp and prawns, including in-shell	$15.9M	Fresh/chilled haddock, except fillets	$9.9M
Tuna/Skipjack/Bonito, prep./pres., not minced	$6.6M	Fresh fish	$9.8M
Prepared/preserved fish	$6.2M	Fresh/chilled cod, except fillets	$7.7M
7. Imports from Norway		**8. Imports from the United States**	
Frozen fish fillets	$77.1M	Prepared/preserved salmon, whole or pieces	$77.7M
Frozen haddock, except fillets	$26.0M	Frozen fish fillets	$23.2M
Prepared/preserved shrimp and prawns	$25.5M	Frozen/dried/salted scallops, incl. Queen	$9.0M
Frozen cod, excluding fillets	$11.1M	Live/fresh/chilled scallops incl. Queen	$7.8M
Fresh/chilled salmon with bones	$4.7M	Frozen fish meat, except steaks and fillets	$5.5M
9. Imports from the Netherlands		**10. Imports from Canada**	
Frozen fish fillets	$31.1M	Prepared/preserved shrimp and prawns	$85.6M
Fresh/chilled fish, with bones	$16.7M	Prepared/preserved salmon, whole or pieces	$21.5M
Fresh/chilled fish fillets and other meat	$15.0M	Frozen/dried/salted scallops	$7.8M
Fresh/chilled salmon with bones	$11.3M	Frozen fish fillets	$6.3M
Prepared or preserved fish, whole or pieces	$10.0M	Fresh/live/chilled lobsters	$5.4M

***Source**: Global Trade Atlas, 2012.*

MARKET SIZES

Fresh Fish and Seafood Retail Sales in the United Kingdom by Segment in Thousands of Tonnes, Historic/Forecast

Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fish	649.9	663.5	666.9	672.9	680.3	689.1	698.8	709.2	720.6	732.8
Crustaceans	60.1	62.4	62.9	63.2	63.6	64.4	65.2	66.2	67.3	68.6
Mollusks and cephalopods	50.0	50.4	50.8	51.1	51.4	51.9	52.4	52.9	53.3	53.7

Fresh Fish and Seafood Consumption in the United Kingdom per Capita in Kilograms, Historic/Forecast

Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Fish	10.7	10.8	10.8	10.9	10.9	11.0	11.1	11.2	11.3	11.4
Crustaceans	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1
Mollusks and cephalopods	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8

Fresh Fish and Seafood Market Sizes in the United Kingdom, % Growth Forecast

Category	Total	CAGR*
Fish	6.3%	1.5%
Crustaceans	6.5%	1.6%
Mollusks and cephalopods	3.5%	0.9%

***CAGR** = compound annual growth rate.*
***Source for all:** Euromonitor, 2012.*

***Source:** Shutterstock.*

Fresh fish are a regular staple of many British consumers' diets, appreciated for both health benefits and taste. Consequently, fish and seafood continues to see positive growth, boosted by consumers reverting to pre-recessionary spending habits. According to Euromonitor, frozen fish consumption declined in 2011, while fresh fish performed well.

The year 2011 gave sure signs that cod is back on the menu in the U.K. Sales recovered from the lower levels of previous years, when concern over species depletion gripped consumers and suppliers alike. The sustainability of stocks from the Barents Sea came as welcome news for cod suppliers, keen to market the proper management of cod species from their main sourcing location.

Crustaceans are expected to see positive growth in the U.K. between 2012 and 2016, largely due to the success enjoyed by warm-water prawns, which appear to be moving out of their categorization as a purely premium food. Aquaculture will continue to play a very important role in the U.K. in the years leading to 2015. Some 50% of seafood species sold at retail, including sea bass, warm-water prawns, sea bream and some mussels, are farmed following sustainable practices.

MARKET SIZES (continued)

Chilled Fish and Seafood Retail Sales Value in the United Kingdom by Segment in US$ Millions, Historic/Forecast

Category	2009	2010	2011	2012	2013	2014
Raw seafood	1,155	1,223	1,294	1,367	1,442	1,520
Coated fish/seafood	1,051	1,045	1,040	1,035	1,031	1,028
Raw fish	323	331	340	350	361	374
Total	2,528	2,599	2,674	2,752	2,835	2,921
Growth over previous year	2.7%	2.8%	2.9%	2.9%	3.0%	3.1%

Frozen Fish and Seafood Retail Sales Value in the United Kingdom by Segment in US$ Millions, Historic/Forecast

Category	2009	2010	2011	2012	2013	2014
Coated fish/seafood	885	935	986	1,041	1,098	1,158
Raw seafood	349	359	370	377	387	400
Raw fish	289	306	323	342	361	381
Other fish/seafood	67	68	70	71	72	73
Total	1,591	1,668	1,749	1,830	1,918	2,013
Growth over previous year	5.3%	4.8%	4.9%	4.7%	4.8%	4.9%

Canned Fish and Seafood Retail Sales Value in the United Kingdom by Segment in US$ Millions, Historic/Forecast

Category	2009	2010	2011	2012	2013	2014
Tuna	482	500	520	540	562	586
Salmon	271	284	298	311	325	340
Other fish/seafood	134	141	148	155	163	172
Mackerel	12	12	11	10	10	9
Total	900	937	976	1,017	1,060	1,107
Growth over previous year	4.0%	4.1%	4.1%	4.2%	4.3%	4.4%

Source for all: *Datamonitor, 2012.*

According to Euromonitor, less common species of fish showed strong sales growth rates in recent years, although it should be noted that this is from a very small consumption base. Sales of pollock and pangasius bass, for example, have grown well due to their affordability, as consumers sought discount seafood species in difficult economic times. However, sales are still not comparable to the “big five” species in the United Kingdom: salmon, warm-water prawns, cod, haddock, and cold water prawns.

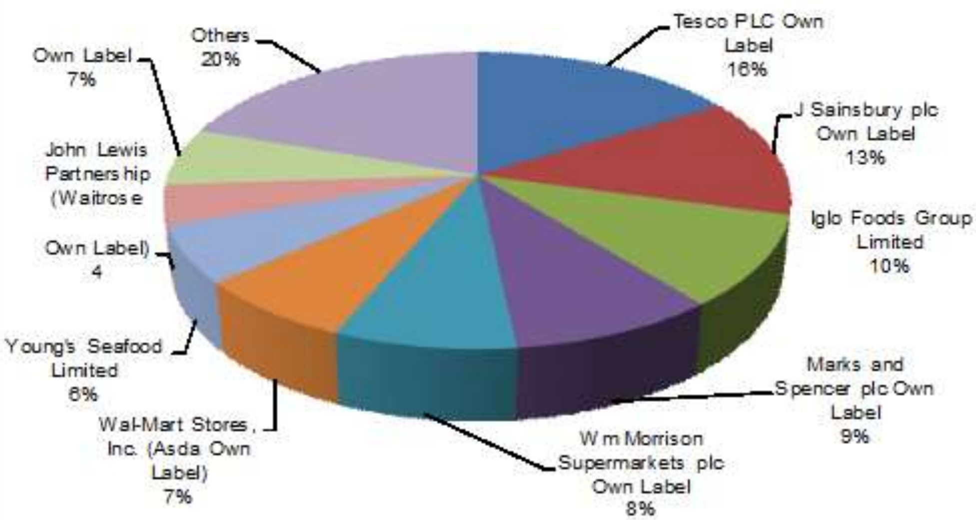
DISTRIBUTION CHANNELS

Fish and Seafood Distribution Channel Shares in the United Kingdom by Value, 2010

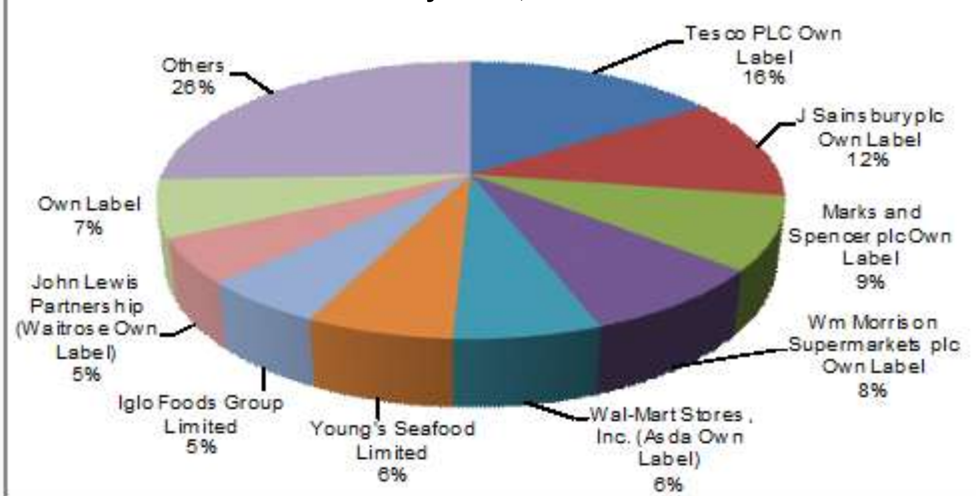
Channel	% Share
Supermarkets / hypermarkets	78.6
Convenience stores	11.6
Specialist retailers	3.6
Independent retailers	3.0
Service stations	2.9
Department stores (Incl. duty-free shops)	0.3

Source: *Datamonitor, 2012.*

Company Shares in the United Kingdom Fish and Seafood Market by Volume, 2010



Company Shares in the United Kingdom Fish and Seafood Market by Value, 2010



Source for both: *Mintel, 2012.*

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Agriculture and Agri-Food Canada
1341 Baseline Road, Tower 5, 4th floor
Ottawa, ON
Canada K1A 0C5
E-mail: infoservice@agr.gc.ca

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